INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

No. 1089 — Washington, D. C. — June 8, 1946

N. C. A. Staff Off to Take Part in Canner Meetings

Secretary Carlos Campbell left Washington June 7 for a three-weeks' tour of the West Coast and Rocky Mountain canning areas to meet with various industry groups in those sections and to discuss the Association's program for those localities. His itinerary will take him to Los Angeles, San Francisco, San Jose, Seattle, Walla Walla, Pendleton, Ogden and Denver.

Dr. E. J. Cameron, Director of the N.C.A. Washington Research Laboratory, and Dr. C. H. Mahoney, Director of the N.C.A. Raw Products Bureau, will represent the Association at the Spring meeting of the Maine Canners Association, June 10-11 at Lakewood. Dr. Cameron will discuss the current activities of the N.C.A. Laboratories. Dr. Mahoney will consult with Maine canners and experiment station representatives concerning canning crop problems.

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The Food and Drug Administration on June 1 increased the cost of the Federal inspection service on canned shrimp by advancing the fee for initial inspection from $315 to $450, and the payment for each additional inspection period from $210 to $300. Purpose of the advance payments is to keep shrimp canners current with their inspection fee obligations. This action was announced on page 5904 of the *Federal Register* for June 1.

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By a vote of 8 to 3 the Senate Judiciary Committee this week recommended a bill to extend the Second War Powers Act for nine months to March 31, 1947, with the exception of the priorities and allocation authority which are continued for one year, or until July 1, 1947.

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Sixty percent of the canned evaporated milk production during June must be set aside for government purchase, USDA announced June 3. Government requirements for the balance of 1946 probably will total about 12,000,000 cases.

Senate Committee Agrees on Speedy Decontrol of Prices

On June 5 the Senate Committee on Banking and Currency agreed to report H. R. 6042, the bill to extend the Price Control and Stabilization Acts. The Senate Committee recommended numerous changes in the extension measure as it had passed the House (see INFORMATION LETTER for April 20, page 171). Many of these proposed changes are of major interest to the canning industry as will be pointed out in the following analysis prepared by Association counsel.

Extension of the authority for price and stabilization control until June 30, 1947, is recommended in place of the House proposal to extend such authority only until March 31, 1947.

Added to the Congressional statement of policy is a new provision setting forth the Congressional view that rapid attainment of production equal to demand is urgent, and that the

> "unnecessary or unduly prolonged controls of price . . . and *use of subsidies* would be inconsistent with the return"

to a peacetime economy. The statement of policy also announces that, in the opinion of Congress "adequate prices are necessary to the production thus desired."

On this basis, (see *Speedy Price Decontrol Recommended*, page 242)

OES Director Bowles Authorizes OPA to Issue 1946 Ceilings

Authorization for the Office of Price Administration to issue ceiling prices on the 1946 pack of canned fruits, berries and vegetables was given this week by the Office of Economic Stabilization through the publication of Directive 112 by OES Director Chester Bowles. The directive, which is reprinted in full on page 238, permits OPA to carry out its pricing program for canned and glass-packed fruits and vegetables on a basis similar to that announced at the Atlantic City Convention on February 5 by OPA Price Executive E. F. Phelps, Jr., (see INFORMATION LETTER for February 12, page 44). This program was further explained by Charles Carry, head of OPA's Processed Fruits and Vegetables Section, at the recent meeting of the N.C.A. Board of Directors (see INFORMATION LETTER for May 25, pages 219-20).

Briefly, the new directive authorizes the OPA to establish ceiling prices on the 1946 pack based on approved raw material costs, and

for certain fruits and vegetables, not in excess of the designated prices. It also includes a provision for approved increases in basic wages and price increases in sugar to be reflected in the maximum prices of the processed products. The directive permits the OPA to increase the maximum prices of subsidized vegetables by the full amount of the subsidy in the event that the subsidy program is not extended beyond June 30, 1946. Official text of Directive 112 follows:

The Price Administrator and the Secretary of Agriculture having submitted to me information and their recommendations with respect to the pricing of the 1946 pack of packed fruits, berries and vegetables and the necessity for securing maximum production of those commodities essential to the effective transition to a peacetime economy, I do hereby find that the measures hereinafter authorized and directed to be taken by the Office of Price Administration will effectuate the purposes of the stabilization program.

Accordingly, pursuant to the authority vested in me by the Stabilization Act of 1942, as amended, and by Executive Order 9250 of October 3, 1942 (7 F.R. 7871), Executive Order 9328 of April 8, 1943 (8 F.R. 4681), Executive Order 9599 of August 18, 1945 (10 F.R. 10155), Executive Order 9651 of October 30, 1945 (10 F.R. 13487, Executive Order 9697 of February 14, 1946 (11 F.R. 1691), and Executive Order 9699 of February 21, 1946 (11 F.R. 1928), *It is hereby ordered:*

The Office of Price Administration is hereby authorized and directed to maintain or establish maximum prices for the 1946 packs of packed fruits, berries and vegetables in accordance with the following principles: Maximum prices for packed fruits, berries and vegetables shall be the same as those established for the 1945 pack under Supplement 13 to Food Products Regulation No. 1, as amended, modified as follows:

1. *Raw material.* Gross maximum prices shall be computed on the basis of approved 1946 raw material costs and shall reflect changes in designated grower prices authorized by the Economic Stabilization Director. Whenever administratively possible, gross maximum prices of individual processors for products other than those on which a subsidy is payable shall be based upon actual price of raw materials not in excess of designated grower prices.

2. *Wages.* Adjustment factors shall be provided to cover cost increases arising from increases in approved basic wage rates for processors actually incurring such increases. These factors shall be based on the assumption that wage increases are uniform for all classifications of labor and therefore can be measured by the increase in wage rates for unskilled female labor. Increases shall be measured from January 1, 1944, and the factors shall supersede those included in the regulation for the 1945 pack.

3. *Sugar.* Gross maximum prices for all of the packed fruits and berries and the vegetable products in which sugar is an important element of cost shall be increased to reflect processors' increased costs of sugar resulting from any increase in maximum prices of sugar providing that adequate steps are taken to insure that the adjustments so provided do not result in appreciable windfalls because of sugar stocks on hand before the price increase.

4. *Subsidized commodities.* Where subsidies are authorized and directed by Directive No. 109 (including amendments) issued by the Office of Economic Stabilization, maximum prices shall be maintained or established in accordance with that directive, and the provisions of paragraphs 2 and 3, above. If authority for the extension of the subsidy program after June 30, 1946, is not obtained, maximum prices for subsidized commodities covered by Supplement 13 to Food Products Regulation No. 1 (or any supplement superseding that supplement as to the 1946 pack) shall be increased to cover the full amount of the subsidy.

5. *Other changes.* Other minor corrections and adjustments may be made in maximum prices and pricing methods where such action will not affect the average level of prices significantly.

Issued and effective this 31st day of May, 1946.

CHESTER BOWLES,
Director.

Parity Price Index up 3 Points

Much greater than seasonal declines in truck-crop prices overbalanced sharp increases in grain prices and moderate increases in most other commodities. As a result, the general level of prices received by farmers dropped 1 point during the month ended May 15, 1946, the U. S. Department of Agriculture announced this week. At 211 percent of the 1909-14 average, this index was 11 points above a year earlier. Rye, rice, potatoes and hay brought lower prices than a month ago. Wholesale milk prices declined less than seasonally, but eggs were up more than usual.

While the index of prices received by farmers declined 1 point, the parity index (prices paid including interest and taxes) rose 3 points, lowering the parity ratio 2 points from a month ago. At 115, this ratio was also 1 point lower than the same period a year earlier.

Crop prices averaged 5 points lower than a month ago due to the sharp decline in truck crop prices and at 215 percent of its 1909-14 average the index was still 17 points above the same month a year earlier.

Glenn Knaub Leaves USDA for Post with Venice-Maid

Glenn E. Knaub, Assistant to the Director of the U. S. Department of Agriculture's Fruit and Vegetable Branch, has resigned to become Assistant to the President of the Venice-Maid Co., Inc., Vineland, N. J., packers of tomato products, spaghetti and other specialty foods. In this new capacity, Mr. Knaub will be responsible for production and other related activities of the Venice-Maid Co., and will report for his new duties about June 15.

Although Mr. Knaub's resignation became effective May 15, he is continuing with the Department of Agriculture for several weeks as a consultant to the Fruit and Vegetable Branch in order to assist them with a number of emergency food programs.

In 1942, Mr. Knaub, at the request of the Office of Price Administration, accepted a position as a member of OPA's Processed Fruits and Vegetables Section in charge of apple products, canned fruits and frozen fruits and vegetables.

In early 1943, when by Executive Order the various procurement, distribution and allocation functions of the Food Division of the War Production Board were transferred to the Department of Agriculture, Mr. Knaub was named Administrator of the Food Section of WPB Order M-81 by a special agreement between the heads of the USDA and WPB. As Administrator of M-81, Mr. Knaub controlled the manufacture and use of all tin for civilian as well as military purposes for a period of more than two years. During this time, he was also Agricultural Consultant to the Containers Division of the War Production Board.

After the Japanese surrender, Mr. Knaub, because of his unusual qualifications, was appointed Assistant to the Director of the USDA's Fruit and Vegetable Branch, and in this capacity was in charge of food procurement and other related activities, including the disposal of surplus canned foods.

Shortage of Tin Containers to Persist for at Least 12 Months; 1946 Supplies 35 Percent below Last Year, CPA Report Shows

The shortage of tin mill products in the face of mounting demands for food packaging is expected to persist for at least 12 months, the Civilian Production Administration reported this week. Tinplate has been designated by CPA as a top priority steel product. Producers have been directed to concentrate on the production of tin mill products suitable for use in making cans and closures and to channel at least 85 percent of shipments to essential uses for the preservation of perishable and seasonable food products, drugs, medicinals and biologicals. At the beginning of the coal strike, the CPA requested the steel industry to maintain tinplate production as long as possible even at the expense of other products in order to preserve the seasonal food pack.

Tin Supplies 35 Percent Less

The new supply of tin in metal and concentrates for the United States in 1946 is estimated at approximately 42,000 long tons. This is 23,000 tons or 35 percent below the year's restricted requirements of 65,000 tons. In order to make up the deficit, approximately 2,000 tons of tin must be withdrawn each month from the government stockpile which now totals around 67,000 tons. As a result of this withdrawal, together with the earmarking of 18,000 tons of the ore stocks for processing and working stock at the government owned smelter, and because approximately 12,000 tons of pig tin is frozen in permanent stocks of the Treasury and Navy Reserve, the net reserve stock will have diminished to about 15,000 tons at the end of the year. If withdrawals continue in 1947 at the 1946 rate, the government stockpile will be exhausted by the middle of 1947, CPA said.

With the close of the war, the military tin take dropped rapidly and civilian consumption did not increase correspondingly. Nevertheless, tin stocks continued their downward trend, indicating that imports were not sufficient to meet even the unusually low rate of demand.

The largest single use for tin is in tinplate, but it is also used in the manufacture of many civilian durable goods such as automobiles, refrigerators, radios, washing machines, various electrical appliances, telephones, gas meters and many others. With all of these items now greatly in demand, much more tin could be absorbed in 1946 than in any previous year. For this reason, General Preference Order M-43, which restricts the tin content of various tin products and provides for the allocation of pig tin, must continue in effect for some time.

Public purchase of both metal and concentrates will continue during the next year and it is expected that international allocations also will have to be retained. Export controls also will remain in force, CPA emphasized.

"The decline in tin stocks in 1945 continues a trend that began after Pearl Harbor when we lost access to Malaya and the Netherlands East Indies. Since December, 1941, Bolivia and the Belgian Congo have been practically our sole sources of tin, and the supply has proven far from adequate despite stringent conservation measures," the CPA report pointed out.

No Relief until Late 1947

During the first six months of 1946, it is expected that imports will reach 15,000 tons of tin in concentrates of which 11,000 tons will come from Bolivia (about one-half of her current production) and the balance from the Belgian Congo. In addition, the U. S. should receive about 6,650 tons through allocations by the Combined Tin Committee of supplies from the Far East, the Belgian Congo, and the United Kingdom. Most of this present supply from the Far East comes from stocks of metal uncovered in that area. However, prospects for new concentrate production are not too good, and it will be many months before anything close to normal supplies are available. Our chief problem now is to spread the withdrawal from available stocks, both domestic and foreign, over the period until supplies are once more adequate to meet demands—probably not before late 1947.

Imports were somewhat less in 1945 than in 1944 as arrivals from Bolivia were not up to expectations and because part of the Belgian Congo production of metal was diverted to Continental Europe during the last half of the year.

Domestic mine production of tin is practically negligible—about 5 tons a year.

Tin Recovery Declines 22 Percent

A large part of this country's tin supplies have come from secondary sources. Receipts of alloy scrap during 1945 compared well with those in 1944. However, recovery of secondary pig tin declined 22 percent in 1945, largely owing to increased use of lighter coatings of tin on tin cans and the falling off of tin can collections.

Tin Allocations Announced

Additional allocations of tin metal for the first half of 1946 were announced this week by the Combined Tin Committee through the Civilian Production Administration. The previous allocations were announced on March 20. This week's allocations amounted to 9,476 long tons, with the largest amount—2,840 long tons—going to France. The United States was second with 2,350 and Canada third with 1,070 tons. The allocations listed in long tons follow:

Canada, 1,070; Denmark, 140; France, 2,840; Finland, 150; India, 640; Italy, 533*; Persian Gulf, 10; Other Middle East Countries, 29; Netherlands, 240; Norway, 52; Shanghai, 20; Latin America, 400; Sweden, 300; Switzerland, 400; Turkey, 100; U. N. R. R. A., 202; and U. S. A., 2,350.

* Includes 33 tons for a United Kingdom canning contract with Italy.

Can Ceilings Increased 9%

Manufacturers of packers' tin cans, condensed milk cans and general line cans have been given a nine percent increase in their current maximum prices for these products, the Office of Price Administration announced this week. The increase, which was made through the issuance of Amendment 5 to Maximum Price Regulation 350, became effective June 4.

The increases are necessary, OPA said, to enable the can manufacturing industry to earn a rate of return on net worth equal to the amount it realized in the base period, 1936-39. The action followed a survey of manufacturers of about 90 percent of the total output of the industry in 1945, which covered both the predominantly large companies and many of the small producers.

USDA Meat Board Report

Meat production under Federal inspection for the week ended June 1 totaled 190,000,000 pounds, according to the U. S. Department of Agriculture Meat Board. This production was 18 percent below the 230,000,000 pounds in the preceding week and 22 percent below the 244,000,000 pounds produced during the corresponding week of last year.

1946 Wholesale Distributors' Stocks Show Increase over 1945

Wholesale distributors' stocks of canned fruits and vegetables (including chain store warehouses) amounted to 64,921,000 cases on April 1, 1946, as compared with 54,543,000 cases on the same date a year earlier, and 69,059,000 cases on April 1, 1943, the U. S. Department of Commerce reported this week. The breakdown of the Department's report by individual canned products is shown in the following table *(basis 24/2½'s for fruits; 24/2's for other items)*:

Commodities	Apr. 1, 1943	Apr. 1, 1945	Apr. 1, 1946
	1,000 cases	*1,000 cases*	*1,000 cases*
Fruits:			
Apples and crabapples	584	239	114
Applesauce	883	793	133
Apricots	535	996	253
Berries	306	30	16
Cherries, red sour	297	80	3
Cherries, other	208	111	56
Cranberries and sauce	183	37	66
Figs	219	158	60
Grapefruit segments	162	(3)	225
Mixed fruits	1,322	317	317
Peaches	4,273	724	1,400
Pears	1,650	305	797
Pineapple	1,624	231	508
Plums and prunes	387	447	520
Other fruits	(1)	(3)	6
Total fruits	12,635	4,468	4,474
Juices:			
Apple and sweet cider	916	(3)	306
Apricot, peach and pear	185	(3)	18
Grape	574	313	168
Grapefruit	6,593	4,825	4,911
Orange	(2)	1,440	2,572
Orange and grapefruit, blended	712	894	1,765
Pineapple	799	92	409
Prune	161	428	597
Other fruit and berry	54	(3)	146
Tomato	6,521	5,553	4,425
Vegetable combinations	626	266	256
Other vegetable juices	(3)	(3)	141
Total juices	17,141	13,811	15,717
Vegetable, seasonal:			
Asparagus	768	282	131
Beans, green and wax	4,398	4,382	3,809
Beans, lima	401	116	170
Beets	1,903	1,678	1,971
Carrots	452	450	1,036
Corn	6,115	6,675	7,272
Greens, leafy	240	445	1,101
Mixed vegetables	405	306	987
Peas	4,639	3,644	7,779
Pumpkin and squash	296	543	311
Spinach	744	1,846	1,743
Tomatoes	7,458	3,881	1,728
Total seasonal vegetables	27,819	24,338	28,038
Vegetables, nonseasonal:			
Beans, dry	260	3,262	3,800
Potatoes, sweet	(3)	(3)	924
Potatoes, white	(3)	(3)	421
Sauerkraut	423	(3)	1,523
Soup, tomato	(3)	1,718	1,128
Soups, all other	4,616	1,397	2,880
Tomato catsup and chili sauce	1,166	1,563	950
Tomato paste	(3)	707	770
Tomato sauce	1,601	733	832
Tomato pulp and puree	1,403	1,342	1,206
Other vegetables	1,231	(3)	359
Total nonseasonal vegetables	10,700	10,722	14,883
Baby foods:			
Custards	33	113	187
Fruits	151	360	582
Meats	151	207	377
Vegetables	429	524	663
Total baby foods	764	1,204	1,809
Total canned foods	69,059	54,543	64,921

[1] Figs and other fruits reported together. [2] Orange juice and orange and grapefruit juices combined reported together. [3] Vegetable juice combinations and other vegetable juices reported together. [4] Soups reported only in total. [5] Tomato paste and tomato sauce reported as one total. [6] Not available. [7] Not shown separately.

Reprints of Advertisements on Canned Food Nutritive Values

To give wider dissemination of the results of the research work conducted by the National Canners Association and Can Manufacturers Institute, a one-page editorial advertisement is being carried in each issue of the home economics magazine, "What's New in Home Economics," a publication especially designed for teachers. A series of 10 advertisements has been contracted for, the first three of which appeared in the April, May and June issues. None is scheduled during the school vacation months of July and August, but the series will resume in the Fall.

The pages as published in the magazine are perforated and punched to make removal easy. Teachers are thus enabled to keep the complete series in their notebooks for classroom and reference purposes.

The ads, written in non-technical language, are prepared by Marjorie Black of the Association's Home Economics Division in cooperation with Dr. E. J. Cameron of the Laboratory, Dr. L. E. Clifcorn of Continental Can Company, and Dr. R. W. Pilcher of the American Can Company.

Copies of the first three are being mailed to the INFORMATION LETTER list. If additional copies are desired, please send your request to the Home Economics Division, National Canners Association, 1739 H Street, N. W., Washington 6, D. C.

Forthcoming Meetings

June 10-11—Maine Canners Association, Summer Meeting, Lakewood.

June 17-18—Mayonnaise and Salad Dressing Manufacturers Association, Palmer House, Chicago, Ill.

June 17-19—Grocery Manufacturers of America. Mid-year Meeting, Shawnee-on-the-Delaware, Pa.

June 20—National Pickle Packers Association, Mid-year Meeting, Bismarck Hotel, Chicago, Ill.

June 21—Ozark Canners Association, Annual Spring Meeting, Colonial Hotel, Springfield, Mo.

July 10-20—Indiana Canners Association, Canning Technicians School, Purdue University, Lafayette, Ind.

July 24-August 2—Association of New York State Canners, Inc., Canning Technicians School, New York State Experiment Station, Geneva, N. Y.

November 21-22—Indiana Canners Association, Inc., Fall Meeting, Claypool Hotel, Indianapolis.

December 4-5—Tri-State Packers Association, Annual Fall Convention, Benjamin Franklin Hotel, Philadelphia, Pa.

December 10-11—Ohio Canners' Association, Annual Convention, Deshler-Wallick Hotel, Columbus.

January 19-24, 1947—National Canners Association, 40th Annual Convention, Atlantic City, N. J.

March 3-7, 1947—National Association of Frozen Food Packers, Annual Convention, San Francisco, Calif.

Potash Controls Restored

Allocation controls have been reimposed on primary potash salts, one of the principal fertilizer compounds, to protect the nation's food supply, the Civilian Production Administration reported this week. The controls became effective June 1, through the issuance of schedule 120 to Order M-300.

It was deemed necessary to place primary potash salts under allocation, officials of CPA's Chemical Division said, to avoid serious mal-distribution of these materials because of the world wide efforts to increase food production. This move was advocated by the primary potash producers at a recent industry advisory committee meeting. Production is estimated at an 800,000-ton rate compared with a demand of well in excess of 900,000 tons annually.

Potash salts have been defined in Schedule 120 to include: Chloride of potash, sulphate of potash, sulphate of potash-magnesia and run-of-the-mine potash. The last mentioned is the crude ore crushed for sale, but not concentrated or refined.

Pay Regulations for New Jobs, Plants, Employees Amended

The National Wage Stabilization Board has recently amended its regulations covering pay rates for new job classifications, new departments, new plants and new employees. Under the previous regulations no pay rates for new plants or for new departments of existing plants could be established without the prior approval of NWSB. (See INFORMATION LETTER for March 30, 1946, page 151.) NWSB General Order 6, as amended, provides for automatic approval of certain pay rates and sets forth the standards which will be used by the Board in passing on pay rates for which prior approval is still required.

Pay rates in an established plant for new job classifications (or for existing job classification in which job content has been changed) are deemed to be automatically preapproved by NWSB if the new rates are based on previously existing rate-setting practices so that equivalent rates are paid for equivalent job content. Such preapproved rates may be used as a basis for obtaining price increases.

Pay rates in new or established plants may be fixed without the necessity of NWSB approval if not more than eight persons are employed in the plant when the rates are established. However, whenever more than eight persons are employed in such a plant, the employer must request NWSB approval of his pay rates within 30 days from the time when the plant first employs more than eight persons.

Pay rates for new plants in which more than eight persons are employed and pay rates for new job classifications in existing plants which are not automatically preapproved must be submitted to the National Wage Stabilization Board for approval before being put into effect. These pay rates will be approved by the Board for purposes of price relief if: (1) They are based upon rates paid for comparable occupations in the local labor market area; or (2) they are based upon wage practices already established in plants operated by the applicant; or (3) where neither (1) or (2) is applicable, they are based upon rates paid for comparable occupations in other plants in the industry. If the pay rates submitted by an employer are found by the Board to exceed these standards, they will be approved as a basis for price relief only to the extent that the rates come within such standards.

New employees may be hired at a pay rate in excess of established or approved rates, according to the regulation, but this excess rate may not be used as a basis for price relief. Hiring an individual at a pay rate lower than the employer's established rate for the job constitutes a pay decrease which requires prior approval by NWSB.

New Assistant Added to Staff Consumer Complaint Division

Albert A. Brown, of Washington, D. C., recently returned from Army service has been added to the staff of the Association's Consumer Complaint Division. Mr. Brown is a graduate of Georgetown University where he received his degree of Bachelor of Science in 1934. In 1935 he took advanced studies in philosophy and psychology at the Augustinian College, New Hamburg, N. Y., and is now taking sociological courses in the graduate department of Catholic University in Washington.

His business experience since graduation has been largely with banks in Washington, serving in various capacities.

Mr. Brown served in the Army from December, 1942, to January, 1946, as an agent of the Counter Intelligence Corps in Australia and Japan, investigating cases involving sabotage, espionage, personnel security, etc., after attending investigators' schools in this country. He was promoted to Special Agent in charge of the area office and as such he handled all correspondence and supervised the work of ten agents.

Further Increase Expected in 1946 Canned Baby Foods Pack

The baby foods industry, which expanded quantity output 777 percent during the war, is expected to show another 20 percent increase in 1946, according to the Department of Commerce.

In 1945, total sales of baby foods amounted to about $100,000,000 for an estimated 106,581,000 dozen cans. These sales represented 3.5 percent of all canned fruits and vegetables sales.

Old people and invalids did their share in helping to boom the young industry during the war years when other canned goods were rationed, an article in the June issue of Domestic Commerce, prepared by Alice J. Mullen, Commodity Analysis Section, states. Baby foods escaped many of the restrictions placed on other canned fruits and vegetables and were rationed for only 18 months—from March 1, 1943, to September 17, 1944, she points out.

Other factors in the rapid expansion of the industry given in the article were high wartime incomes, the fact that many mothers worked in war plants and had less time to prepare their babies' food, and the tremendous increase in the birthrate, which for five consecutive years ran 20 to the 1,000 population, much above the prewar average.

Though there are relatively few packers of baby foods (the National Canners Association 1945 Directory listed only 13), competition is keen and no money is spared in improving the quality of the products, it is stated.

Olive Oil Ceilings Modified

Olive oil brought into a "free trade zone" in the United States for transshipment abroad no longer will carry a maximum importing price, the Office of Price Administration announced secretly through the issuance of Amendment 9 to Maximum Price Regulation 53, effective May 16.

Canned Beet, Carrot Promotion

The second of its new series of canned foods promotions was conducted during the week May 27 to June 2 by the Can Manufacturers Institute. This campaign was devoted to encouraging increased consumption of canned beets and carrots, and was highlighted by the appearance of Mrs. Harriet Sabine, Director of Consumer Information, CMI, on radio programs from broadcasting stations in Schenectady, Albany, Syracuse, Rochester and Buffalo, N. Y. The first campaign dealt with canned peas and was conducted in Wisconsin. It was reported in the March 23 issue of the INFORMATION LETTER.

Grades for Frozen Peaches

Tentative United States Standards for grades of frozen peaches, which are intended for use for manufacturing purposes, have been established by the U. S. Department of Agriculture, effective June 1. These are the first of such grades to be issued by USDA. Copies of the grades and further information concerning them may be obtained from the Standardization and Inspection Division, Fruit and Vegetable Branch, U. S. Department of Agriculture, Washington 25, D. C.

USDA Issues New Canned Meat Order Calling for 60% Set-aside

The U. S. Department of Agriculture on Wednesday announced a greatly modified set-aside for canned meats and meat products designed to obtain more canned meat for foreign relief requirements, and, at the same time, revoked a previous food order (WFO 75.8) which was to have gone into effect June 6. (See INFORMATION LETTER for June 1, page 236.) Under the terms of the new regulation, WFO 75.9, Federally-inspected meat slaughterers and canners, after June 6, may not produce canned meat for civilian consumption unless they deliver to government agencies 60 percent of each week's total output of canned meat. Delivery must be made not later than two weeks following the week of production.

The provisions of the set-aside order apply to the finished net weight of all meat canned by Federally-inspected slaughterers and meat canners. Canned meat is defined by the regulation as any canned food which contains 20 percent or more of meat or meat by-products. Specifically excluded from the order, however, are vinegar pickled meat in glass, canned soup, mincemeat, tamales, chow mein, chop suey, ravioli, meat extract, infant and junior foods. Moreover, the administrator of the order is authorized to and will specify the type of canned meat products needed for delivery to government agencies.

USDA officials said that the new order was issued because it was believed to be the most effective and feasible means of facilitating the procurement of canned meat during the next few weeks.

SPEEDY PRICE DECONTROL RECOMMENDED

(Continued from page 237)

Congress declares as its policy that price control and the use of subsidy powers shall be terminated as rapidly as possible and in no event later than June 30, 1947, on which date the Office of Price Administration shall be abolished. The President is asked to recommend by April 1, 1947, whether any extension of price control after June 30, 1947, will be needed and to recommend what department of the Government, other than OPA, shall be charged with carrying it on.

Price control of nonagricultural commodities shall cease on December 31, 1946, except for those expressly found to be important in relation to business or living costs. Ceiling prices for nonagricultural commodities shall be removed by the OPA whenever the supply is in approximate balance with demand and that any resulting price increases will not be beyond a true reflection of current costs.

Decontrol of Agricultural Commodities by Secretary of Agriculture

Practically the entire power to decontrol agricultural commodities, including agricultural products such as canned foods, is proposed to be transferred to the Secretary of Agriculture. On the first day of the first calendar month beginning after the enactment of the law—which in all likelihood will be August 1, 1946—the Secretary of Agriculture is to certify to the Price Administrator each agricultural commodity which he determines is in short supply. Unless the supply of a particular agricultural commodity, including any canned food, equals or exceeds the requirements for the current marketing season, it is to be deemed in short supply. On the first of each succeeding calendar month the Secretary is to make similar determinations for all agricultural commodities.

Unless the Secretary certifies that a particular canned food is in short supply, the ceiling price for such commodity or product shall be discontinued. If he fails to certify any product, all price control of that product will lapse. Thus, the Secretary of Agriculture is virtually given the power, through withholding his certification, of effecting the decontrol of any agricultural commodity or product.

In addition to these decontrol powers, the Secretary of Agriculture is given further authority with respect to agricultural commodities or products which he deems to be in short supply and thus are to remain subject to some price control. As to any such product, he may recommend adjustments in the maximum price which he thinks are necessary to obtain the needed production of such commodity. By December 31, 1946, he is to recommend to the Price Administrator the removal of price ceilings on all agricultural commodities or products which he determines are not important in relation to living costs. Within ten days after receiving any recommendation from the Secretary of Agriculture, the Price Administrator *must* modify maximum prices in accordance with such recommendation.

On specific agricultural commodities—livestock, poultry and eggs and their products, milk and milk products—all price control must be removed not later than June 30, 1946.

In exercising these new duties, the Secretary of Agriculture is specifically freed by the bill from direction or control by any other appointed officer or any other agency in the executive branch of the Government. The Price Administrator is given the power to remove, with the approval of the Secretary of Agriculture, any ceiling prices on agricultural commodities even in the absence of any recommendation by the Secretary of Agriculture. Thus, price decontrol of agricultural products may be initiated either by the Secretary or the Administrator.

Lastly, the various industry advisory committee are permitted to petition the Secretary of Agriculture for the removal of any price regulation and the Secretary is required to act on such petition within 15 days. Similar petitions are permitted in the case of nonagricultural commodities but are to be made to the Price Administrator.

The bill provides for a bi-partisan Price Decontrol Board of three members. If the petition of an industry advisory committee is denied, or not acted upon, the industry advisory committee may appeal to this Board which has the power to order the removal of maximum prices. The orders of the Board are not subject to modification or review by any other government agency or court.

Subsidies

Numerous provisions have been recommended in the Senate Committee bill for the removal of subsidies. Whenever any direct or indirect subsidy is reduced or terminated, the "maximum price applicable to the product affected shall be correspondingly increased." Apart from subsidies on copper, lead, zinc, and tin, the total amount authorized for all subsidies is $969,000,000. This sum is to cover all subsidies on sugar, flour, petroleum, imported materials, and all agricultural commodities and products. Subsidies are to be "progressively reduced" and are to terminate on May 1, 1947. But, unlike the House proposal, there is no requirement for specific percentage reductions every 45 days.

Of most importance, however, is the further requirement that if for any period price ceilings are not in effect on any commodities or products, including all canned foods, no subsidy operations may be continued on such products. This appears to mean that if the Secretary of Agriculture refuses to certify any agricultural prod-

uct as being in short supply, and as a result, price control ceases on such product, all subsidies will correspondingly end. By virtue of his authority to decontrol any agricultural commodity or product, the Secretary of Agriculture is thus authorized to terminate subsidies.

It is not clear from the language of the bill whether the Secretary's power to require modification of maximum price regulations on those agricultural products which he certifies for continued price control will include the power to recommend the termination of subsidies and thus to compel their termination. If the Senate Committee bill is enacted as recommended, there seems to be a reasonable inference that a recommendation by the Secretary of Agriculture for the termination of subsidies on any agricultural commodity or product will, if not considered mandatory, be extremely persuasive by the Price Administrator.

Fishery Products

The Senate bill makes numerous changes of interest to fish canners. Subsection (i) of Section 2 of the Price Act is amended to require that no maximum prices may be established for any fish or other sea food, or any commodity processed in whole or substantial part therefrom, below the average price for the year 1942. This may resolve a long-standing difference of opinion as to the interpretation of the previous amendments to Section 2(i) of the Price Act which OPA has thus far interpreted as applying only to unprocessed fish and not to fish products such as canned fish. In addition, for all purposes under the Price Act and the Stabilization Act, fish and other seafood and their products will be deemed agricultural commodities. Thus, all of the provisions relating to decontrol of agricultural commodities and products, the power of the Secretary of Agriculture to require changes in price regulations, etc., will be applicable to canned fish and other seafoods. For most pricing purposes there will be no statutory distinctions between canned fish and canned fruits and vegetables.

Other Changes

Numerous other changes, of indirect interest to the canning industry, also have been proposed. OPA is specifically forbidden by any regulation to fix the quantity or percentage of any product which may be sold by a seller to any buyer. Products which are removed from price control and sold to restaurants may not be subjected to price control when served by such restaurants, unless the maximum price includes cost of acquisition plus a customary margin. No maximum average prices or weighted average price regluations may be continued. Margins for retail stores may not be reduced below the peacetime retail markups or handling charges which prevailed during the years 1939-41 for any commodity whose production was reduced after 1942 by 75 percent or more. Various other provisions protecting wholesale and retail markups have been inserted.

Persons who are charged with violation of OPA price ceilings are to be protected if they rely upon the written advise or instructions of the Price Administrator or any regional administrator or director of the OPA. No actions may be instituted for damages in the case of sales to any agency of the Government or any publicly financed agency where the sale was made on bid. Other limitations are provided against suits for violation of maximum average price regulations previously prevailing in the apparel industry. Lastly, the provisions of the Bankhead-Brown amendment, specifically limiting in detail, price regulations on cotton products, are extended to cover wool products.

Early Senate consideration of these committee proposals is expected, and it has been reported that if the ultimate enactment contains many of the drastic provisions passed by the House and now proposed by the Senate Committee, a Presidential veto may be interposed in the hope that some simple resolution extending the Price Act may be enacted.

Reorganization of Fish and Wildlife Service Announced

Secretary of the Interior J. A. Krug this week announced a major reorganization of the Fish and Wildlife Service designed to bring about a more efficient functioning of this agency and to improve its services to the public. The Fish and Wildlife Service was created in 1940 by President Roosevelt's reorganization plan, which consolidated the former Bureau of Biological Survey and the Bureau of Fisheries. Because the functions of the new agency have grown far beyond those of the parent organizations, it has become necessary to effect a realignment of its subdivisions, Mr. Krug said.

The functions of the reorganized agency will be concentrated in four branches, instead of being scattered among 12. These will be concerned with administration, research, commercial fisheries, and management of fish and game resources. One of the most far reaching effects of the reorganization will be to give increased importance to activities related to the commercial fishery industries. This branch will include the former Divisions of Commercial Fisheries and Alaska Fisheries and will rank as one of the four major subdivisions of the Service.

All scientific studies of fish, birds, and mammals will be consolidated under a single head, who will administer the formerly independent divisions relating to fishery biology and wildlife research.

Under management will be included such diversified functions as Federal aid in wildlife restoration, control of predatory animals and rodents, administration of wildlife refuges, game management, game fish management and hatchery operation, and acquisition of lands.

The Branch of Administration will include all activities relating to budget, finance, and personnel.

Farm Machine Production Low

Farm machinery production in April continued at the relatively low March production rate, reflecting the effects of the current coal shortage and other strikes, the Civilian Production Administration announces.

While the April production of $48,591,534 was virtually unchanged from the March figure of $48,591,809, there were wide variations from the previous month in the production of individual farm machinery products. The April production figure, however, is 12.6 per cent below the total production of $55,611,865 in April, 1945.

CPA said that over-all production of farm machinery and equipment will continue to lag in the next few months, reflecting the current coal shortage and the recent tie-up in railroad shipments, which resulted in continued reduction of steel and component parts deliveries.

U. S. Sweet Cherry Grades

The United States Department of Agriculture, Production and Marketing Administration, has just issued "U S. Standards for Sweet Cherries for Canning and Freezing," effective June 1, 1946. Canners interested in buying sweet cherries on a graded basis may obtain copies of the leaflet from either USDA at Washington, or from their local Federal-State Inspection Service.

Radio Transcriptions Offered for Sale by USES and N.B.C.

As an aid in the recruitment of local farm labor, the U. S. Employment Service has prepared a series of six transcribed spot radio appeals and three short station breaks. The spot announcements are 50 seconds long and the station breaks are five seconds in length. Both are recorded on 12-inch records.

Samples of the recordings will be available for audition from the Regional Offices of USES or mimeographed copies of the texts of the recordings may be secured from the National Canners Association headquarters.

USES is not permitted to sell copies of the transcriptions direct. However, canners who desire the records may send their order to the N.C.A. and arrangements with USES and the National Broadcasting Company to supply copies to State and local canner associations and to individual canners.

The transcriptions are priced at $1.05 each plus a nominal mailing charge. Orders should be addressed to R. B. Heiney, National Canners Association, 1739 H Street, N. W., Washington 20, D. C., accompanied by check payable to the National Broadcasting Company. The transcriptions will be sent express collect.

Shipper Boards to Meet

Six meetings of Regional Shipper Advisory Boards have been scheduled as follows for the remaining weeks in June:

Central Western, June 12-13, Casper, Wyo.; Allegheny, June 13, Pittsburgh, Pa.; Ohio Valley, June 17-18, Indianapolis, Ind.; Southeast, June 19-20, Savannah, Ga.; Pacific Coast, June 20-21, Oakland, Calif.; and Pacific Northwest, June 20-21, Vancouver, B. C.

Eighteen Nations Invited To Form New Food Council

The member governments of the Combined Food Board—the United States, United Kingdom and Canada—acted June 4 on recommendations for the establishment of an International Emergency Food Council by addressing invitations to prospective members of the new organization—namely, Argentina, Australia, Belgium, Brazil, Chile, China, Cuba, Denmark, France, Greece, India, Netherlands, New Zealand, Norway, Siam, Turkey, Union of South Africa, and the U.S.S.R.

The invited governments were asked to appoint a representative to attend a special meeting in Washington, D. C., on June 20. The new food council would replace the existing Combined Food Board. The proposal was the subject of discussions at the May 20-27 meeting of the Food and Agriculture Organization.

Australia's 1945 Canned Fruit and Vegetable Pack

Australia's aggregate 1945 pack of canned peaches, pears, and apricots was 2,080,955 cases of 2 dozen 30-ounce tins, or about 75 percent of the average prewar pack, the U. S. Department of Commerce reported this week.

The 1945 summer pack of canned pineapples—55,855 cases—was well below prewar average. The low output is attributed to the strong demand for fresh pineapples, and the fact that the bearing acreage, heavily reduced by frost late in 1943, had not been fully restored. A light 1945 winter pack is predicted, so the annual pack may be but little above that of 1944's production of 110,798 cases, the lowest recorded since 1931.

Releases of canned apricots, peaches, and pears for the civilian trade in 1945 aggregated 624,000 cases, or 30 percent of the total pack. This was 68,000 cases less than provided in 1944, the reduction being the result of the smaller output. Although this direct quota was augmented by supplies made available from Emergency Food Supply Depots, the total amount of canned fruit available for civilian consumption was (as in the two previous years) much below demand. Of the small 1945 pack of pineapples, 10,000 cases were allocated to the domestic market.

In the 10 years prior to World War II, Australia's surplus of canned fruits, approximating 1,850,000 cases per annum, represented about 60 percent of production. Of the total exports about 85 percent was consigned to the United Kingdom and practically all of the remainder to Canada, New Zealand, and the East.

Since 1942, the demands of the Services and for Allied countries have absorbed about 70 percent of the annual packs.

In 1945, the British Ministry of Food purchased 200,000 cases on behalf of the British War Office. With the exception of 10,000 cases (packed in 16-ounce containers) for dispatch to the United Kingdom, this quota was for shipment to defined Eastern territories. A quota of 50,000 cases was provided for New Zealand, and small quotas not exceeding 5,000 cases were allotted to India, Ceylon, the Middle East, the Netherlands Indies, and the Pacific Islands adjacent to Australia.

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